

## WISCONSIN BUSINESS TAX CHRONOLOGY

### WISCONSIN'S CONTINUING PROGRESS

Starting in the early 1970s, positive business tax changes have been made in every biennial legislative session since. The result of these efforts is that the total tax burden on business in Wisconsin (as a ratio of business taxes to total state and local taxes) is among the lowest in the nation and is continuing to decline.

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- 2003-2004** • Authorized \$45 million in Corporate Income Tax reductions by replacing the previous Multi-factor tax formula with a Single-factor tax formula based on corporate sales.
- 1999-2000** • Authorized \$335 million in permanent income tax rate reductions
  - Authorized \$9.5 billion property tax relief
  - Authorized \$700 million in sales tax rebates to taxpayers
- 1997-99** • Authorized \$83 million in across-the-board income tax cuts
  - Created a capital gains exemption for individuals who sell their businesses, homes, or farms to family members.
  - Property tax exemption for computer equipment owned by businesses (effective Jan. 1, 1999).
  - Indexed tax tables to eliminate bracket creep.
  - Increased the property tax rent credit by \$125 million.
  - Eliminated the marriage penalty.
  - An innovative, \$20 million income tax deduction for post-secondary education tuition.
  - Workers Compensation rates decreased 26% over past 5 years, resulting in almost \$1 billion in savings, and among the lowest in country.
  - Lowest allowable Unemployment Compensation rates applied for 6th straight year.
  - Wisconsin ranks 36th among states in spending, down from 26th when Gov. Thompson took office.
- 1995-97** • Authorized \$1.3 billion property tax relief.
  - Adapted federal tax treatment exempting from tax a portion of income earned by foreign service corporations.
  - Worker's Compensation Premium Rates declined by 16.1 percent.
  - Lowest allowable Unemployment Compensation rates applied for 5th straight year.
- 1993-95** • Authorized the establishment of Limited Liability Companies (LLC).
  - Inheritance and gift taxes phased out.

- Worker's Compensation Rates declined by 9.5 percent.
- 1989-91** • Reformed taxation of the telecommunications industry by phasing-in ad valorem taxation.
- Reduced unemployment compensation insurance rates for new employers and for positive balance employers
- 1987-89** • Reduced personal income tax rates.
- Inheritance and gift taxes phased out over a five year period.
- Retained a 60% exclusion of gains on assets held over one year.
- Federalized the corporate income tax.
- 1985-87** • Reduced personal income tax rates.
- Exempted from capital gains sales of qualifying small business stock.
- Extension of carry-over period for net operating losses and credits.
- 1983-85** • Provided research and development tax credits to corporations.
- Increased the gift tax exemption.
- Phase-out of certain intercorporate dividends from consideration as income.
- 1981-83** • Phase-in federal capital gains treatment.
- Elimination of inheritance and gift taxes on interspousal transfers.
- Adoption of new federal accelerated depreciation.
- 1979-81** • Sales tax exemption on waste treatment supplies.
- Personal income tax rates reduced.
- Expanded double weighting in corporate income tax apportionment formula.
- Personal income tax indexed for inflation.
- 1977-79** • Repealed the sales tax on computer and data processing services.
- 1975-77** • State assessment of manufacturing property.
- 1973-75** • Introduction of corporate apportionment formula and double weighting.
- Sales tax exemption on waste treatment facilities/materials.
- Phase-in property tax exemption on manufacturers' inventories.
- Property tax exemption on machinery and equipment used in manufacturing.
- 1971-73** • Adoption of federal depreciation schedule.
- Tax credit on fuel and electricity used in manufacturing.
- Property taxes reduced through revenue sharing.